

**Harbour Energy plc**  
**("Harbour" or the "Company")**  
**Trading and Operations Update**  
**09 May 2024**

Harbour Energy plc today provides the following unaudited Trading and Operations Update for the first quarter of 2024<sup>1</sup>. This is issued ahead of the Company's Annual General Meeting (AGM) which is being held today at 10.00 BST.

**Operational highlights**

- Production averaged 172 kboepd (2023: 202 kboepd), split broadly equally between liquids and natural gas. Full year guidance of 150-165 kboepd reiterated
- Operating costs averaged c.\$18/boe (2023: \$15/boe); full year forecast unchanged at c.\$18/boe
- Continued safe and responsible operations
  - No lost time injuries or serious (Tier 1 and 2) process safety events
  - Joined the UN Environment Programme Oil and Gas Methane Partnership 2.0<sup>2</sup> and became a member of Ipieca<sup>3</sup>
- Investments at Harbour's operated UK hubs progressed including drilling at Callanish F6 (Greater Britannia Area), and the Talbot development (J-Area) which remains on track to start production around year-end
- International growth opportunities advanced with potential for material reserve additions
  - Mexico: Zama FEED due to commence shortly with contractor bids being evaluated; appraisal of the 2023 Kan oil discovery scheduled for H2 2024
  - Indonesia: Further momentum with the Andaman Sea exploration campaign including at Tangkulo (South Andaman, Harbour 20 per cent) where testing is underway. Following completion of operations at Tangkulo, the rig will move to the final location in the current campaign to appraise the significant 2023 Layaran discovery (South Andaman)
  - Norway: Small oil discovery at Ringhorne North (Harbour 15 per cent), close to existing infrastructure
- Continued momentum on Harbour's UK CCS projects including good progress in the FEED phase for the Harbour-led Viking project

**Financial highlights**

- Estimated revenue of c.\$0.9 billion with realised, post-hedging oil and UK gas prices of \$83/bbl and 49 pence/therm
- Total capital expenditure of c.\$250 million. Full year guidance of c.\$1.2 billion reiterated
- Net debt reduced to \$0.1 billion at end of March 2024 (YE 2023: \$0.2 billion), after c.\$60 million of financing and other fees associated with the Wintershall DEA acquisition; Harbour's RBL debt facility remains undrawn
- At \$85/bbl and 70p/therm, Harbour continues to expect to be marginally free cash flow positive in 2024, after estimated tax payments of c.\$1.0 billion; Harbour expects to generate significantly higher free cash flow next year resulting in a net cash position by year end 2025
- Proposed 2023 final dividend of 13 cents per share (2022: 12 cents/share), in line with our \$200 million annual dividend policy and representing c.9 per cent growth year-on-year, to be paid on 22 May 2024, subject to shareholder approval

### **Acquisition of Wintershall Dea Asset Portfolio on track to complete in Q4 2024**

Harbour has made significant progress on the various workstreams and approvals required to complete the acquisition of the Wintershall Dea asset portfolio (the “Acquisition”).

- All regulatory, anti-trust and foreign direct investment approvals required for completion continue to progress as planned, including:
  - Clearance received from the Federal Ministry of Economics and Climate Action in Germany, which satisfies the German foreign direct investment closing condition
  - Consent received from the Norwegian Ministry of Energy
- Prospectus and shareholder circular expected to be published later this month with the shareholder meeting to approve the Acquisition anticipated to take place in June
- Irrevocable undertakings to vote in favour of the Acquisition received from shareholders representing c.35 per cent of Harbour’s issued share capital, as at 8 May 2024
- Financing workstreams completed:
  - Successful syndication of the \$3 billion revolving credit facility (RCF) and \$1.5 billion bridge facility, with the margin on the RCF approximately half that of Harbour’s existing RBL facility
  - Successfully amended certain terms and conditions of the Wintershall Dea \$4.9 billion investment grade bonds that Harbour will be assuming as part of the Acquisition
- Significant progress around the design and implementation of the corporate organisation and systems required to support the enlarged company post-completion
- Executed additional, predominantly oil, hedging for 2025 and 2026 to de-risk near term cash flow

Harbour continues to expect to complete the Acquisition during Q4 2024.

#### **Linda Z Cook, Chief Executive Officer, commented:**

“During the first quarter, we continued to deliver safe and responsible operations, maximise the value of our UK production base and advance our organic growth projects. At the same time, we made significant progress towards completion of the Wintershall Dea acquisition which will transform our portfolio and capital structure and support enhanced and sustainable shareholder returns.”

#### **Enquiries**

##### **Harbour Energy plc**

Elizabeth Brooks, Head of Investor Relations  
020 3833 2421

##### **Brunswick**

Patrick Handley, Will Medvei  
020 7404 5959

## Appendix 1: Group production

	Q1 2024 (net, kboepd)	Q1 2023 (net, kboepd)
Greater Britannia Area	26	28
J-Area	24	36
AELE hub	26	26
Catcher	14	20
Tolmount	17	16
Elgin Franklin	17	21
Buzzard	9	12
Beryl	13	11
West of Shetlands <sup>4</sup>	12	15
Other North Sea	3	7
<b>North Sea</b>	<b>161</b>	<b>192</b>
<b>International</b>	<b>11</b>	<b>10</b>
<b>Total Group</b>	<b>172</b>	<b>202</b>

## Appendix 2: Hedging schedule<sup>5</sup>

	2024		2025		2026		2027	
	Volume	Average Price						
	mmboe	p/therm	mmboe	p/therm	mmboe	p/therm	mmboe	p/therm
Swaps	10.1	54	6.8	86	3.6	86	1.0	79
Collars	3.0	112-263	1.7	98-233	0.4	80-150	0.0	0
<b>UK gas</b>	13.1	67	8.5	89	4.0	86	1.0	79
	mmbbl	\$/bbl	mmbbl	\$/bbl	mmbbl	\$/bbl	mmbbl	\$/bbl
<b>Oil</b>	7.3	84	8.0	78	6.9	73	0	N/A

<sup>1</sup> All operational and financial highlights, guidance and sensitivities, including free cash flow, assume the sale of Harbour's Vietnam business completes on 30 June 2024 and exclude the impacts of the announced Wintershall DEA asset portfolio acquisition and any fees relating to the Acquisition unless stated otherwise.

<sup>2</sup> Oil & Gas Methane Partnership 2.0 is the United National Environment Programme (UNEP) flagship oil and gas reporting and mitigation programme.

<sup>3</sup> Ipieca (International Petroleum Industry Environmental Conservation Association) was founded at the requested of the United Nations and is the global oil and gas association for advancing environmental and social performance

<sup>4</sup> West of Shetlands includes Clair, Schiehallion and Solan

<sup>5</sup> As of 7 May 2024 and assumes the forward curve, as of 7<sup>th</sup> May 2024, when determining the collar strike prices